



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

5781

January 16, 2014

Ron Smith
Ash Grove Cement Company
P.O. Box 51
Nephi, Utah 84648

Subject: First Review of Amended Notice of Intention for Large Mining Operations, Ash Grove Cement Company, Nielson Sandstone Mine, M/023/0012, Juab County, Utah

Dear Mr. Smith:

Thank you for submitting a revised reclamation cost estimate for the Nielson Sandstone quarry, received by the Division of Oil, Gas and Mining December 20, 2013. Please review the following comments and modify the cost estimate accordingly.

Means equipment costs do not include overhead and profit. The Division uses a standard overhead and profit rate of 10%. The Means equipment rates do not include labor. Please use the Means labor rates that include overhead and profit. The overhead and profit rates for an equipment operator can be 50% of the base rate. Because the overhead and profit are not constant for equipment and labor the Division calculates those separately.

The Division understands that many of the Means unit costs for demolition are not applicable for large projects. The Division will allow calculation rates using Means equipment costs. Because the Demolition sheets were set up to deal with Means unit costs for demolition, you may want to use a combination of sheets – one sheet for equipment rates and another for unit costs such as transporting demolished asphalt to a landfill.

- Please provide productivity calculations for the earthwork and demolitions costs. The Division has some productivity sheets on its web page that can be used.
- When possible please include the Means reference number.
- If possible on the submittal use Means costs for 2014. The Division can provide these numbers if necessary.
- The method for disposal of the asphalt is to transport it to a landfill. The Division considers this method acceptable, but an alternative would be to transport the asphalt to a recycling center that would accept the material at no cost.

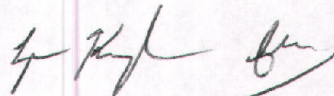
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- The revegetation costs are acceptable except that labor costs to operate the excavator should be included. The Means unit costs for seeding and mulch appear to be high. The Means cost for revegetation are usually based on equipment and methods for small scale operations that may not be applicable to a large scale operation. Lynn Kunzler and Mike Bradley of the Division are familiar with large scale revegetation projects and may be good sources of information.
- On the summary sheet, please use an escalation rate of 1.5% per year which was established for 2013.
- Please include productivity calculations for the asphalt demolition on the demolition worksheets.
- Please include hourly operating costs for the water truck for Pit 1 Slope, Pit Floor 1, and Pit Floor 2.
- Also for Pit 1 Slope, Pit Floor 1 and Pit Floor 2, please include the labor costs for the dozer, dump trucks, front end loader and excavator.
- Please include the labor costs for the excavator in revegetation costs.

Please submit your response to this review by February 14, 2014.

Please contact Wayne Western at 801-538-5263 if you have questions about these comments.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: whw: eb
Attachment: Review
cc: Duane Bays, BLM Fillmore FO (dbays@blm.gov)
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**FIRST REVIEW OF NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Ash Grove Cement Company
Nielson Sandstone Mine**

**M/023/0012
January 8, 2014**

R647-4-110 - Reclamation Plan

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Summary Sheet	Please use an escalation rate of 1.5% per year. That was the escalation rate established by the Division in 2013. The rate will change in Feb. 2014	whw	
	Demolition worksheets	Please include some productivity calculations for the asphalt demolition.	whw	
	Pit 1 Slope, Pit Floor 1 and Pit Floor 2	Please include hourly operating costs for the water truck.	whw	
	Pit 1 Slope, Pit Floor 1 and Pit Floor 2	Please include the labor costs for the dozer, dump trucks, front end loader and excavator.	whw	
	Revegetation Costs	Please include the labor costs for the excavator	whw	